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## Mexico

## Fresh Deciduous Fruit

## Annual Report

## 2008

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**Report Highlights:**

Apple production for MY 2008/09 (August/July) is forecast at 540,000 MT, a 1.8 percent increase compared to MY 2007/08. Apple imports are forecast to decrease approximately five percent as a result of decreased demand and adverse exchange rates with the U.S. dollar. It is anticipated that the United States will remain the largest supplier of apples to Mexico. Pear production is forecast at 28,000 MT for MY 2008/09 (July/June), which is a marginal increase compared to MY 2007/08. Pear imports are forecast to decrease 4.7 percent due to lower demand and the depreciation of the Mexican Peso. Table grape production for MY 2008/09 (May/April) is forecast to decrease 3.8 percent compared to MY 2007/08 due to adverse weather conditions. Likewise, table grape imports are forecast to decrease roughly four percent due to decreased demand.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Mexico City [MX1]  
[MX]

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## SECTION I. SITUATION AND OUTLOOK

### APPLES

#### PRODUCTION

Apple production in Mexico for MY 2008/09 (August/July) is forecast at 540,000 MT, which is a 1.8 percent increase compared to MY 2007/08 production. Trade sources indicate that Chihuahua, the main apple producing state, had freezing temperatures and hailstorms during the flowering season that affected yields and fruit quality; especially for the Red Delicious variety. Production estimates for MY 2007/08 were revised downward based on official preliminary data and adverse weather conditions including the hail and low temperatures mentioned above. However, MY 2007/08 production was approximately five percent higher compared to MY 2006/07. Based on official data, production estimates for MY 2006/07 were revised downward. The national average yield for MY 2008/09 is forecast at 9.4 MT/ha. Yields in Chihuahua are forecast, at a minimum, to be 15-17 MT/ha.

The state of Chihuahua accounts for 43 percent of total area planted while Durango accounts for 17 percent. Coahuila and Puebla account for 12 percent each. Producers in Chihuahua generally use more advanced production technology and typically yield higher quality apples than the other states. In fact, large-scale and technologically sophisticated growers in Chihuahua are planting or renewing old orchards with higher tree densities. According to growers, about 40 percent of the apple area in Chihuahua utilizes advanced technology. However, growers also indicated that the area planted in Mexico is expected to decrease slightly due to higher costs of production and limited credit and water availability. Growers who are affected by lower prices have a tendency to abandon groves. Total area planted for MY 2008/09 is forecast to have a marginal increase compared to MY 2007/08, and area planted for MY 2006/07 and 2007/08 was revised slightly upward from previous estimates. Area harvested, however, was revised downward based on official estimates. The new apple crop in Chihuahua hit the market in mid-August starting with the Gala and Golden Supreme varieties. Near the end of August, the Red Delicious apples started harvest followed by the Golden Delicious varieties in September. Rome Beauty apples are usually harvested in October.

Yields are forecast to continue increasing due to increased density in planted areas. In order to remain competitive, producers in Chihuahua are replacing a number of older orchards with higher yielding (about 80 tons/Ha) and higher density apple trees (800 trees per hectare or more) by using advanced technology and newer irrigation systems. According to growers, almost 50 percent of the area in Chihuahua is planted with the Golden Delicious variety and 40 percent with the Red Delicious variety. The Gala variety area includes about five percent of the total planted area in Chihuahua and continues to grow. High-density varieties account for approximately 25 percent of Chihuahua's planted area. The remainder of the apple producing area is planted at more traditional spacing of 200-300 trees per hectare. Most areas in Chihuahua and Durango are irrigated.

Grower prices for Red and Golden Delicious apples in Chihuahua for MY 2008/09 started in mid-August 2008 at \$6.50 to \$7.00 Pesos/kg (U.S.\$0.64 to \$0.69/kg). However, grower prices for the Gala variety and the Golden Supreme variety, which are harvested in early August, command prices between \$8 to \$10 Pesos/kg (U.S.\$0.80 to \$1.00 /kg) because they rarely compete with imported apples. Costs of production typically range from \$25,000 to \$37,000 Pesos/ha (U.S.\$2,289 to \$3,388/ha). Production costs will increase depending on whether growers have frost protection equipment, and hail, and new irrigation systems. According to producers, electricity, gas, and packing costs, which depend on foreign inputs, have been increasing compared to MY 2006/07.

## CONSUMPTION

Apple consumption for MY 2008/09 is forecast to increase marginally compared to MY 2007/08 since the U.S. crop is somewhat smaller and higher priced, and the Mexican consumer purchasing power has been decreasing. Since the world economic crisis, the Mexican Peso has depreciated and could slow down consumption of imported product. However, apples continue to be in high demand. Consumption for MY 2006/07 and MY 2007/08 was revised downward due to less demand and higher prices. Wholesale prices are not expected to change drastically for the following months unless exchange rates change drastically. Many harvested apples in Chihuahua did not reach the fresh market in October since they go directly to cold storage in order to be sold gradually in the following months. Retail prices for November 2008 for imported Gala apples was approximately U.S. \$3.23/kg, imported Granny Smith was U.S. \$2.57/kg, and imported Red Starking apples was U.S. \$2.50/kg. Domestic prices for Red Delicious was approximately U.S. \$1.71/kg while prices for Golden Delicious apples was approximately U.S. \$1.91/kg.

## TRADE

Apple imports for MY 2008/09 are forecast to decrease approximately five percent from MY 2007/08 imports as a result of decreased demand due to higher prices and a lower supply from the United States. However, this estimate will depend heavily on the exchange rate with the U.S. dollar. Since the economic crisis started, the Mexican Peso has been devaluating, which has negatively affected demand and imports. Currently, traders are very cautious about buying imported fruit, and many are waiting for the market to stabilize so they can import larger volumes of fruit. Import estimates for MY 2007/08 were revised downward due to less demand and higher prices. However, more than 90 percent of imports were from the United States. MY 2006/07 import estimates were revised upward due to higher demand than previously estimated. Dumping duties imposed on U.S. Red and Golden Delicious apples continue to affect imports. Nevertheless, imports continue to supply the market due to a strong demand and because apples are being imported by companies that pay zero duty.

On November 2, 2006, the Secretariat of Economy (SE) announced the final resolution to the antidumping investigation on Red and Golden Delicious varieties from the U.S. Depending on the company, duties can go from 0 to 47.05 percent. Most of the Northwest Fruit Exporters (NFE) companies fall under the 47.05 duty. However, recently a small number of Mexican fruit importing companies petitioned the SE to revoke the August 12, 2002, final resolution on anti-dumping duties on Red and Golden Delicious apples shipped by non-Northwest Fruit Exporters (NFE) companies. The petition was resolved favorably, and on July 3, 2007, SE announced in the *Diario Oficial* (Federal Register) that the Final Resolution on the antidumping case on Red and Golden Delicious Apples, published on August 12, 2002, was cancelled. The cancellation of this resolution essentially meant that non-Northwest Fruit Exporters (NFE) companies are no longer subject to a compensatory duty when exporting Red and Golden Delicious apples to Mexico. (See reports [MX6094](#) and [MX7050](#))

Despite the anti-dumping duties on apples from NFE members, most of the imports will continue to come from Washington State. U.S. apples that are not of the Red and Golden Delicious varieties are not subject to any duty. However, Red and Golden Delicious varieties continue to account for almost all U.S. apple exports to Mexico. Apple varieties like Gala, Rome Beauty, Jonagold, and Pink Lady, are being imported at more affordable prices but in much smaller quantities.

While Mexican consumers like the size and color of U.S. apples, Mexican apples are said to be sweeter. The U.S. apple industry will also continue to face strong competition from other countries, like Chile and Canada. Apples from Argentina continue to be imported, but not in significant volumes.

## POLICY

Under Mexican law any company that believes they have not been exporting under unfair practices can request the Secretary of Economy (SE) to review their case and obtain a lower or null compensatory duty. To that end, on November 30, 2007, a group of U.S. apple importers requested that Mexican authorities review their prices and duties. The seven companies initiating this review are: Cowiche Growers Inc., CPC International Apple Co., Jack Frost Fruit Company, Inc., Matson Fruit Co. Monson Fruit Company Inc., Yakima Fruit and Cold Storage Co., Inc. and Zirkle. On November 14, 2008, the Economy Secretariat announced in the *Diario Oficial* (Federal Register) the resolution that initiates the annual review of the compensatory quotas imposed on the seven companies.

On the other hand, during a public hearing held in Mexico City by a bi-national NAFTA dispute panel for parties to discuss the U.S.-Mexico anti-dumping case, officials from the Secretary of Economy (SE) stated that the panel should be ready to issue a final ruling in the first quarter of 2009. The long-running dispute began in 1996 when Mexican apple producers from Chihuahua accused U.S. apple importers of dumping. In 2006, Mexican authorities imposed a duty of 46 percent on U.S. imports, but the National Fruit Exporters Association appealed this decision under chapter 19 of NAFTA.

The NAFTA tariffs for U.S. and Canadian apples were completely lifted as of January 1, 2003, bringing the duty to zero. Under the Chile-Mexico Free Trade Agreement, imported Chilean apples were duty free on January 1, 2006. Apples from other countries are subject to a 20-percent duty. During a trade mission to China, the Mexican government established protocols and agreements with the Chinese government to begin trade operations. Among the products to be imported from China to Mexico are fruits and vegetables, including apples. The domestic industry, however, does not anticipate significant competition since the apple variety from China, Fuji, is still not widely accepted by the domestic consumer.

## MARKETING

Despite the antidumping duties, the United States is expected to remain the main apple exporter to Mexico. The U.S. apple industry's continued marketing and in-store promotion efforts have significantly contributed in creating a market for U.S. apples in Mexico. Strong U.S. apple import months are from January to May, although the United States starts shipping in smaller volumes in November. Canadian apples are imported from November to January, and Chilean apples are typically imported from March to June. Chilean apples do not compete directly with Mexican apples since they do not hit the market at the height of Mexico's marketing year. Mexican apples are strongly marketed from September through December, but many are kept in cold storage to be used during the early months of the year, thus competing more directly with the United States.

Mexican consumers still prefer the Red and Golden Delicious varieties. Commercially, these two varieties have a competitive advantage over other varieties because of their longer shelf life. Another variety widely demanded by consumers is the Rome Beauty, which is mainly used for baking and cooking. Lately, the Royal Gala has become more attractive to the Mexican consumer and is being sold in most supermarkets. Chilean producers are also marketing the Royal Gala variety in Mexico.

Mexican producers continue to increase market promotions. Chilean producers have also been working aggressively to penetrate the Mexican market, and they have introduced several varietal characteristics in an effort to target different population groups. The Chilean promotion strategy focuses on price more than on quality. According to traders, Chile has significantly invested in in-store demonstrations and advertisements.

## **PEARS**

### **PRODUCTION**

Pear production in Mexico is extremely limited. Therefore, the Secretariat of Agriculture only publishes pear production data on an annual basis. Total pear production is forecast at 28,000 MT for MY 2008/09 (July/June), which is a marginal increase compared to MY 2007/08. Pear production is not expected to show significant increases since growers are not heavily investing in this crop due to the high cost of production. Pear production for MY 2007/08 was revised slightly downward from previous estimates as there was less area harvested than previously estimated. However, yields were better due to good weather conditions. MY 2006/07 pear production was also revised downward due to lower yields resulting from rainfall conditions that affected the growing season.

Approximately, 87 percent of the area planted in Mexico is non-irrigated. Michoacán, Puebla, and Morelos are Mexico's major pear producing states and account for 76 percent of total Mexican production. The state of Puebla has marginally increased pear plantings, but this has been offset by a decrease in non-irrigated and low-yielding areas planted in Michoacán.

Lack of investment, high costs of production, scarce water supplies in pear producing regions, and disease problems have limited production growth. However, some growers have started to experiment with planting more disease-resistant and longer shelf-life varieties. Area planted and harvested for MY 2008/09 is not expected to change much from MY 2007/08 area. Planted and harvested area for MY 2007/08 was revised downward based on preliminary data reflecting the abandonment of some groves. Data for area planted and harvested for MY 2006/07 was revised downward based on official data.

### **CONSUMPTION**

The domestic supply continues to rely on imports, mainly from the United States. Pear consumption for MY 2008/09 is forecast to decrease approximately 3.5 percent from MY 2007/08 consumption. In general, the domestic purchasing power has been decreasing and demand for imported fruits is not expected to be as strong as last marketing year, even more so given the depreciation of the Mexican Peso. Also, the U.S. pear crop is expected to be smaller, commanding higher prices. Domestic consumption for MY 2007/08 was revised slightly downwards, but still reflects an increase of 6.7 percent compared to MY 2006/07 due to attractive prices. MY 2006/07 consumption was revised downward due to less demand and higher prices for imported pears.

Wholesale prices for U.S. pears in Mexico were, on average, lower for MY 2007/08 compared to MY 2006/07 prices. Wholesale prices for U.S. pears for MY 2008/09 started at higher prices. Wholesale prices for U.S. Anjou pears for November 2008 were U.S. \$29.00 per 18-kg/box while retail prices in supermarkets were approximately U.S. \$2.45/kg for Anjou and Bosc pears. Anjou pears continue to be the most sought out variety in the market followed by the Bosc, Bartlett, and the Red Anjou varieties. Other varieties of pears are not yet in high demand by consumers in Mexico.

## TRADE

Pear imports for MY 2008/09 are forecast to decrease 4.7 percent compared to MY 2007/08 due to lower U.S production and the depreciation of the Mexican Peso. Wholesale traders are in fact very cautious about importing fruit, and they are waiting for the market to stabilize in order to import more fruit. The import estimate for pears for MY 2007/08 was revised upward reflecting higher demand more than expected and good prices. The pear import estimate for MY 2006/07 remains unchanged. Approximately, 80 percent or more of demand has been met by imported product, mainly from the United States.

U.S. Bartlett pears are usually imported during July, August, and September, while U.S. Anjou pears are imported towards the end of September and October. The presence of Chilean and Argentinean pears is limited in the Mexican market, but they are of fair to good quality and are usually priced lower than U.S. pears. During MY 2007/08, U.S. pears met 80 percent of the demand while Argentinean pears accounted for 12 percent of the demand. Under different trade agreements, the import duty on pears from the U.S., Chile, and Argentina is zero. China exported pears to the Mexican market in MY 2006/07 and 2007/08, but volumes are still not significant.

## MARKETING

The United States remains Mexico's main pear supplier. Market promotion efforts for U.S. pears continues in several Mexican cities, supermarkets, and street markets. However, the wholesale markets remain the most important fruit distribution channel in Mexico. According to traders, in-store promotions have helped increase sales. Most of the imported pears are from Washington, Oregon, and California.

Due to limited production, Mexican pears are almost exclusively sold through local, small markets and few are sold through supermarkets. One of the Mexican pear varieties, which consumers tend to prefer, is the Kiefer variety or better known as Pera Piña. However, low production precludes the Pera Piña from having a significant market presence.

## TABLE GRAPES

### PRODUCTION

Total table grape production for MY 2008/09 (May/April) is forecast to decrease 3.8 percent compared to MY 2007/08 due to weather problems. Nevertheless producers indicate that production was better than expected. Total production is difficult to determine since price relationships between table grapes, raisin grapes, and industrial grapes attracts more grapes into, or out of, each market. In fact, since a wine company recently closed operations in Caborca, Sonora, and relocated to Hermosillo, Sonora, some grape orchards, which worked with the wine industry, had to convert their production to raisin grapes and table grapes. Meanwhile, other orchards had to convert to other crops. Production for MY 2007/08 was revised upward due to better weather conditions. Table grape production for MY 2006/07 remains unchanged.

Area planted for MY 2008/09 is expected to remain more or less similar to area planted in MY 2007/08 due to the excellent export season producers had for the last two marketing years. However, growth in area planted is expected to be limited since the costs of production are high and water availability is limited. Area planted and harvested for MY 2007/08 was revised downward as some areas were being converted from industrial grapes to table grapes. Data for MY 2006/07 remains unchanged.



The state of Sonora accounts for approximately 82 percent of the total area planted for table grapes. Market and growing conditions are favorable, but a lack of water continues to limit aggressive expansion, as all area for table grapes is irrigated. The national average yield forecast for MY 2008/09 is forecast to reach 13.4 MT/ha, but it is largely dependent on cultural practices. The national average yield for MY 2007/08 is estimated at 13.9 MT/ha due to good weather conditions in Sonora. According to producers, in 2007 the cost of production in Sonora was between U.S. \$6,000/ha and U.S. \$9,000/ha, depending on inputs. Producers indicate that expansion is limited, mainly by low water availability from aquifers in Sonora. As a result, producers are trying to become more efficient by increasing yields instead of increasing acreage. The high cost of production and high interest rates for credit also limits table grape expansion. In fact, producers state that the only credit to which they have access comes from U.S. brokers and distributors, who give them advance payments for harvesting and packing table grapes. Some of the main varieties that Mexico produces include: Perlette, Flame, Sugraone, and Red Globe.

## CONSUMPTION

Table grape consumption for MY 2008/09 is forecast to be 5.2 percent lower compared to MY 2007/08 consumption due to decreased domestic purchasing power and higher prices. The volume of Mexican grapes in the market will ultimately depend on the volume exported since producers tend to serve the international market first. The consumption estimate for MY 2007/08 was revised upward due a stronger demand and more affordable prices, mainly for the domestic crop. Consumers continue buying grapes as long as prices continue to be affordable. The consumption estimate for MY 2006/07 remains unchanged.

At the beginning of the 2008 season, wholesale table grape prices were higher compared to MY 2007/08. July 2008 prices for Perlette grapes was approximately U.S. \$11.42/ 8 kg box, Flame Seedless was U.S. \$10.54/box, and Superior grapes was approximately U.S. \$12.85/ box, all from the state of Sonora. Imported Globe grapes was approximately U.S. \$17.04/ 8 kg box. However, prices for the last quarter of 2008 are expected to increase due to the depreciation of the Mexican Peso against the U.S. dollar. The Perlette variety is the most preferred variety by consumers followed by the Red Globe and the Superior varieties.

## TRADE

Table grape imports for MY 2008/09 are forecast to decrease roughly four percent from MY 2007/08 imports due to a lower demand. Imports for the last quarter of 2008 are expected to be slower since the exchange rate has not been stable and traders cautious to buy. Imports for MY 2007/08 was revised downward almost nine percent due to a decreased demand for imported grapes at high prices. Imports for MY 2006/07 remain unchanged.

U.S. and Chilean imports have a zero duty, and both countries continue to increase exports to the Mexican market. According to traders, U.S. promotional efforts to export table grape varieties to Mexico, other than Red Globe or Thompson, are resulting in increased sales. U.S. table grapes can only be imported from California due to Mexico's phytosanitary restrictions on table grapes from other U.S. states.

Table grape exports for MY 2008/09 are forecast to be a 2.7 percent lower compared to MY 2007/08. However, final numbers could be higher since domestic producers indicate it was a very good export year, very similar to MY 2007/08 since export prices were excellent. Export estimates for MY 2007/08 were revised upward one percent from previous estimates due to a stronger demand. Export estimates for MY 2006/07 remain unchanged from previous estimates.



Most of Mexico's table grapes are exported to the United States. Growers indicated that export f.o.b. prices at the beginning of the season - May 2008 – were, on average, around U.S. \$34/8-kg box of Perlettes, and approximately U.S. \$23/box for flame seedless. During the peak season in the United States, which starts at the end of May, prices decreased to U.S. \$14/box for Perlette and U.S. \$16/box for Flame. Mexican export prices usually range between U.S. \$14 and \$16/box.

U.S. and Chilean table grape production seasons differ, and there is no significant direct competition between grapes from these countries. U.S. suppliers export to Mexico from January to February and from August to December; before and after the Mexican season. Chile usually exports from January to April and from June to July. Under the Mexico-Chile Free Trade Agreement, Chilean table grapes enter duty free all year round.

The Mexico–European Union (EU) Trade Agreement, signed in 2000, has a duty phase-out plan wherein the grape tariff on Mexican table grapes exported to the EU will be reduced from 12.6 percent to zero by 2008. Mexico does not take full advantage of this agreement since most of its grapes are being exported to the United States, a more profitable market.

## MARKETING

The United States is expected to remain Mexico's main supplier of table grapes, helped by market promotion efforts by U.S. table grape exporters. The U.S. promotional efforts to market different table grape varieties have resulted in an increase in imports into the Mexican market. Chile, on the other hand, puts very limited resources into promoting its grapes in Mexico.

## SECTION II. STATISTICAL TABLES

Apples PS&amp;D Table

Apples, Fresh Mexico  (Ha, MT, 1000 Trees)	2006			2007			2008		
	2006/2007			2007/2008			2008/2009		
	Market Year Begin: Aug 2006			Market Year Begin: Aug 2007			Market Year Begin: Aug 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	59,825	59,825	59,968	60,000	60,000	60,100			60,200
Area Harvested	57,776	57,776	56,071	57,900	57,900	57,000			57,000
Bearing Trees	13,404	13,404	13,008	13,432	13,432	13,224			13,224
Non-Bearing Trees	475	475	904	487	487	719			742
Total Trees	13,879	13,879	13,912	13,919	13,919	13,943			13,966
Commercial Production	596,915	596,915	500,077	575,000	575,000	525,000			535,000
Non-Comm. Production	5,000	5,000	5,000	5,000	5,000	5,000			5,000
Production	601,915	601,915	505,077	580,000	580,000	530,000			540,000
Imports	195,000	195,000	198,578	200,000	200,000	196,952			186,000
Total Supply	796,915	796,915	703,655	780,000	780,000	726,952			726,000
Fresh Dom. Consumption	696,915	696,915	603,655	680,000	680,000	601,952			604,000
Exports, Fresh	0	0	0	0	0	0			0
For Processing	100,000	100,000	100,000	100,000	100,000	125,000			122,000
Withdrawal From Market	0	0	0	0	0	0			0
Total Distribution	796,915	796,915	703,655	780,000	780,000	726,952			726,000

## Pear, PS&amp;D Table

Pears, Fresh Mexico  (Ha, MT, 1000 Trees)	2006			2007			2008		
	2006/2007			2007/2008			2008/2009		
	Market Year Begin: Jul 2006			Market Year Begin: Jul 2007			Market Year Begin: Jul 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	5,067	5,067	4,854	5,075	5,075	4,900			4,900
Area Harvested	4,805	4,805	4,480	4,810	4,810	4,500			4,500
Bearing Trees	1,004	1,004	936	1,005	1,005	940			961
Non-Bearing Trees	55	55	78	55	55	83			63
Total Trees	1,059	1,059	1,014	1,060	1,060	1,023			1,024
Commercial Production	28,957	28,957	23,739	29,700	29,700	26,900			27,000
Non-Comm. Production	1,000	1,000	1,000	1,000	1,000	1,000			1,000
Production	29,957	29,957	24,739	30,700	30,700	27,900			28,000
Imports	85,106	85,106	85,106	87,000	87,000	89,215			85,000
Total Supply	115,063	115,063	109,845	117,700	117,700	117,115			113,000
Fresh Dom. Consumption	113,063	113,063	107,845	115,700	115,700	115,115			111,000
Exports, Fresh	0	0	0	0	0	0			0
For Processing	2,000	2,000	2,000	2,000	2,000	2,000			2,000
Withdrawal From Market	0	0		0	0	0			0
Total Distribution	115,063	115,063	109,845	117,700	117,700	117,115			113,000

Table Grapes PS&amp;D Table

Grapes, Table, Fresh Mexico  (Ha, MT)	2006			2007			2008		
	2006/2007			2007/2008			2008/2009		
	Market Year Begin: May 2006			Market Year Begin: May 2007			Market Year Begin: May 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	20,075	20,075	20,075	20,200	20,200	19,256			19,256
Area Harvested	18,946	18,946	18,946	19,100	19,100	19,036			19,036
Commercial Production	147,558	147,558	147,558	218,500	218,500	265,317			255,000
Non-Comm. Production	1,000	1,000	1,000	1,500	1,500	1,000			1,000
Production	148,558	148,558	148,558	220,000	220,000	266,317			256,000
Imports	76,560	76,560	76,560	80,000	80,000	72,031			69,000
Total Supply	225,118	225,118	225,118	300,000	300,000	338,348			325,000
Fresh Dom. Consumption	112,828	112,828	112,828	125,000	125,000	161,466			153,000
Exports, Fresh	112,290	112,290	112,290	175,000	175,000	176,882			172,000
For Processing	0	0	0	0	0	0			0
Withdrawal From Market	0	0	0	0	0	0			0
Total Distribution	225,118	225,118	225,118	300,000	300,000	338,348			325,000

## Trade Matrixes

## Fresh Apples

Apples H.S. 0808.10		Unit: Metric Tons	
Exports for MY 2006/07 (Aug-Jul) to:		Imports for MY 2006/07 (Aug-Jul) from:	
U.S.	0	U.S.	172,228
COSTA RICA	60	CHILE	21,552
BELIZE	134	CANADA	3,127
OTHER	0	OTHER	1,672
TOTAL	194	TOTAL	198,579

Apples H.S. 0808.10		Unit: Metric Tons	
Exports for MY 2007/08 (Aug-Jul*) to:		Imports for MY 2007/08 (Aug-Jul*) from:	
U.S.	0	U.S.	178,791
COSTA RICA	51	CHILE	14,184
BELIZE	232	CANADA	3,303
OTHER	22	OTHER	675
TOTAL	305	TOTAL	196,953

## Fresh Pears

Pears H.S. 0808.20		Unit: Metric Tons	
Exports for MY 2006/07 (Jul-Jun) to:		Imports for MY 2006/07 (Jul-Jun) from:	
U.S.	17	U.S.	68,062
BELIZE	24	ARGENTINA	15,240
		CHILE	1,581
OTHER	0	OTHER	223
TOTAL	41	TOTAL	85,106

Pears H.S. 0808.20		Unit: Metric Tons	
Exports for MY 2007/08 (Jul-Jun) to:		Imports for MY 2007/08 (Jul-Jun) from:	
U.S.	5	U.S.	79,115
BELIZE	34	ARGENTINA	8,951
		CHILE	691
OTHER	1	OTHER	459
TOTAL	40	TOTAL	89,216

Table Grapes

Table grapes H.S. 0806.10		Unit: Metric Tons	
Exports for MY 2006/07 (May-Apr) to:		Imports for MY 2006/07 (May-Apr) from:	
U.S.	112,023	U.S.	40,539
COSTA RICA	76	CHILE	36,021
OTHER	190	OTHER	0
TOTAL	112,289	TOTAL	76,560

Table grapes H.S. 0806.10		Unit: Metric Tons	
Exports for MY 2007/08 (May-Apr) to:		Imports for MY 2007/08 (May-Apr) from:	
U.S.	176,211	U.S.	49,573
COSTA RICA	158	CHILE	22,458
OTHER	512	OTHER	0
TOTAL	176,881	TOTAL	72,031

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, June 2008.  
 \* As of June 2008

## Apple Prices

AVERAGE MONTHLY WHOLESALE APPLE IMPORT PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2007	2008	Change percent
January			
February			
March	16.66		
April	16.76		
May	16.44	16.50	0.36
June	16.89	21.53	27.47
July	17.96	22.42	24.83
August	17.77	23.56	32.58
September		19.29	
October			
November			
December			
CIF-Mexico City			

AVERAGE MONTHLY WHOLESALE APPLE DOMESTIC PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2007	2008	Change percent
January	12.38	13.47	8.80
February	13.21	13.16	0.38
March	13.00	12.84	1.23
April		12.36	
May		16.50	
June			
July			
August	12.50		
September	12.72	19.29	51.65
October	12.96	18.38	41.82
November	13.38		
December	13.26		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados  
 2007 Exchange Rate Avg.: U.S.\$1.00 = 10.92 Pesos  
 October 31, 2007 Exchange Rate: U.S.\$1.00 = 10.72 Pesos

## Pear Prices

AVERAGE MONTHLY WHOLESALE PEAR IMPORT PRICES D'ANJOU PESOS/KILOGRAM			
Month	2007	2008	Change percent
January	19.27	18.31	(4.98)
February	19.78	17.90	(9.50)
March	19.31	17.79	(7.87)
April	19.00	17.42	(8.32)
May	18.84	16.78	(10.93)
June	19.16	19.56	2.09
July	18.72	22.43	19.82
August	18.31	24.24	32.39
September	16.94	23.61	39.37
October	19.40	23.02	18.66
November	18.44		
December	18.16		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados  
 2007 Exchange Rate Avg.: U.S.\$1.00 = 10.92 Pesos  
 October 31, 2008 Exchange Rate: U.S.\$1.00 = 10.72 Pesos

## Table Grape Prices

AVERAGE MONTHLY WHOLESALE GRAPE IMPORT PRICES GLOBE PESOS/KILOGRAM			
Month	2007	2008	Change percent
January	23.81	26.87	12.85
February	19.54	27.39	40.17
March	17.16	20.93	21.96
April	16.04	30.72	91.52
May	17.99	29.31	62.92
June	16.76	23.15	38.13
July	16.27	19.70	21.08
August	13.67	21.50	57.28
September	15.67	25.41	62.16
October	20.76	24.13	16.23
November	24.09		
December	28.20		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados  
 2007 Exchange Rate Avg.: U.S.\$1.00 = 10.92 Pesos  
 October 31, 2008 Exchange Rate: U.S.\$1.00 = 10.72 Pesos

## Exchange Rate

2006-2008 Monthly Exchange Rate Averages			
	2006	2007	2008
January	10.56	10.94	<b>10.91</b>
February	10.48	10.99	<b>10.77</b>
March	10.73	11.12	<b>10.74</b>
April	11.03	10.98	<b>10.52</b>
May	11.08	10.82	<b>10.44</b>
June	11.39	10.83	<b>10.33</b>
July	11.00	10.80	<b>10.24</b>
August	10.87	10.50	<b>10.10</b>
September	10.89	10.92	<b>10.61</b>
October	10.90	10.92	<b>12.56</b>
November	10.90	10.87	<b>N/A</b>
December	10.85	10.84	<b>N/A</b>
Annual Avg.	10.89	10.92	10.72

Source: Diario Oficial (Mexican Federal Register)  
 Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico.  
 MX Pesos per U.S. \$1.00